

C-O-N-F-I-D-E-N-T-I-A-L

NO BASIC DOCUMENT

Document No. DFB 21377

All reports transmitted under the FBI form reproduced below were numbered as enclosures or attachments to the form. The transmittal form has been destroyed. No other transmittal letter or report has ever existed for this document number.

Federal Bureau of Investigation

Director
Central Intelligence Agency
Washington, D. C. 20505

Attention: Deputy Director, Plans

Dear Sir:

For your information, I am enclosing
communications which may be of interest to you.

Very truly yours,


John Edgar Hoover
Director

Enc-

(Upon removal of classified enclosures, if any,
this transmittal form becomes UNCLASSIFIED.)

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPT, ON 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2003 2006

C-O-N-F-I-D-E-N-T-I-A-L

FORM 2227

(40-47)

FOR COORDINATION WITH FBT

BEST AVAILABLE COPY

DFB-21377

FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1
THIS CASE ORIGINATED AT SAN FRANCISCO

FILE NO.

| | | | |
|---|---|--|---|
| REPORT MADE AT SAN FRANCISCO | DATE WHEN MADE June 1 thro July 31, 1952 | PERIOD FOR WHICH MADE | REPORT MADE BY WILLIAM A. CONRADT NMT |
| TITLE SI ISA KOSUTIC | | | CHARACTER OF CASE INTERNAL SECURITY - YU |
| SYNOPSIS OF FACTS: <p style="text-align: center;"><u>SECURITY INFORMATION - CONFIDENTIAL</u></p> <p>SI ISA KOSUTIC continued as Consul at the Yugoslav Consulate General, San Francisco during the months of June and July, 1952. KOSUTIC continued his efforts to infiltrate the Serbian organizations on the West Coast. He criticized his superior, Consul General RAO IVANCEVIC, for striving to eliminate the importance of colleagues. He reported on items of a general intelligence nature concerning the Pacific area as received from a San Francisco resident and shipping man named JOHN MURRY FOX. KOSUTIC now resides at 290 Magellan Avenue, San Francisco.</p> <p style="text-align: center;">- P -</p> <p>DETAILS:</p> <p>All informants described by T symbols in this report are considered of known reliability unless otherwise indicated.</p> <p>SI ISA KOSUTIC continued as Consul at the Yugoslav Consulate General, San Francisco during June and July, 1952. During this period, he gave up his house located at 355 Pacheco Street, San Francisco to Consul General RAO IVANCEVIC and, with his wife, his son and Vice Consul MODRAC VITOJEVIC,</p> <p style="text-align: center;"><u>SECURITY INFORMATION - CONFIDENTIAL</u></p> | | | |
| APPROVED AND FORWARDED | SPECIAL AGENT IN CHARGE | DO NOT WRITE IN THESE SPACES | |
| COPIES OF THIS REPORT 6 - Bureau (105-13636) REGIS. 1 - Chicago (Info.) REGIS. 1 - New York City (Info.) REGIS. 1 - Washington Field (Info.) REGIS. 3 - San Francisco (105-751) | | This is an FBI Investigative report and is not to be distributed outside of the Bureau or its field offices. | |

PROPERTY OF FBI—This confidential report and its contents are loaned to you by the FBI and are not to be distributed outside of agency to which loaned.

U. S. GOVERNMENT PRINTING OFFICE 16-60827-2

D. F. B. 21377

105-13636-105
RECORDED
INDEXED
SERIALIZED
FILED
JUL 1 1952
FBI - SAN FRANCISCO

SF 105-751

moved to 290 Marellan Avenue, San Francisco. (T-2, 7/29/52)

I. ATTITUDE TOWARD CONSUL GENERAL RADO IVANCEVIC

SIMON KOSUTIC expressed himself in a critical manner in a report to an unidentified person believed connected with the Yugoslav Embassy, Washington, D. C., wherein he discussed Comrade R (RADO IVANCEVIC). KOSUTIC said prior to his return from Washington the unidentified person had instructed him to let him know as to the developments of the relations regarding which they had spoken concerning Comrade R (RADO IVANCEVIC). KOSUTIC said that he debated for a long time whether he should actually tell the man in Washington about the situation. He said that the questions which this man in Washington suggested were brought up by him at a meeting, but these led to no results. From his every day work and contact, KOSUTIC came to the conclusion that the situation had nothing to do with any oversights or mistakes because of a lack of knowledge, which could be cleared with friendly discussion. He charged that in San Francisco they had a definite system and every step and move his superior made had been planned in advance and had as its sole purpose the strengthening of his position and the elimination of his co-workers. (T-1, 4/30/52)

The following item is perhaps indicative of the attitude of KOSUTIC toward IVANCEVIC. When IVANCEVIC was returning from Mexico City, he was due to arrive at the San Francisco airport. When Mrs. KOSUTIC heard that her husband was not going to the airport to meet the Consul General, she stated her belief that this was a very poor move and, if it were an individual such as MIRKO JORDANIC of the Yugoslav Embassy who was arriving in the City, KOSUTIC would certainly have gone out to meet him. (T-2 6/23/52)

KOSUTIC also complained concerning working conditions at the Consulate as follows. He said that the work among the Americans and the emigrants should be divided among the Consulate officials which had not been done and therefore, the Consulate had not been achieving what he called greater success. KOSUTIC pointed out a case involving some Serbs as an example. (T-1, 7/1/52)

This informant had no further information to disclose concerning that particular item in connection with the Serbs KOSUTIC had in mind.

ATTEMPTED INFILTRATION OF SERBIAN GROUPS

As noted in previous periods, KOSUTIC, a Serb, was busy with attempts to infiltrate the activities of the Serbian emigrants. The First Serbian Benevolent Society of San Francisco was scheduled to have its annual picnic on June 8, 1952 and KOSUTIC was with a man named GUTICH, FNU, of San Francisco. (T-2, 6/2/52)

KOSUTIC reported on this affair as follows. KOSUTIC said that this association held its traditional picnic on June 8 and he and his wife were present after having been invited by the ex-President of that association. He said that approximately 500 emigrants attended the affair, among whom was a number of recently arrived Chetniks. KOSUTIC noted that this group centered around MILIVOJE VUKS NOVIC, a Major in the Chetnik armies, and they were much more quiet and did not attempt to prevent KOSUTIC from appearing at the picnic as they had done previously. KOSUTIC commented that his visit was favorably received by many of the emigrants who were very interested in the various problems of Yugoslavia. He cited the fact that a former President of the group had invited him to the picnic as a proof that the local Serbs were beginning to come closer to the Consulate officials. KOSUTIC said that he was trying to strengthen his influence among this group through several of his good friends in the organization. However, this was not easy because the newly arrived Chetniks were opposed to him and were interested in gaining possession of the leadership and treasury of the Benevolent Society.

KOSUTIC said that the Serbians were more difficult to influence than the other national groups such as the Croats because they were traditionally more conservative and also because of the influence of the Serbian National Defense. KOSUTIC said that the large numbers of Chetniks arriving from Displaced Person installations had disoriented the old organization because the newcomers were more faithful in their attendance at meetings whereas the old members did not go so regularly and therefore, the influence was coming into the hands of the newer members. (t-1, 7/1/52)

KOSUTIC noted certain remarks made by the Serbian Orthodox priest in San Francisco, the Reverend DOBITE GERDOVICH. KOSUTIC said that he had had contact with Rev. GERDOVICH concerning some Yugoslav films which he was desirous of showing at a gathering which was to take place on the Easter Celebration of the Serbian Orthodox Church, April 20, 1952. KOSUTIC said that this contact had surprised him because this priest had kept avoiding him in every way although he had made every effort to keep up his contact with him.

BEST AVAILABLE COPY

As a result of this conversation, KOSUTIC gave OBRADOVICH the four films to see on the above mentioned occasion.

During another part of the conversation, KOSUTIC reported that OBRADOVICH mentioned he intended visiting Yugoslavia next year. This also surprised KOSUTIC inasmuch as he knew that, up to the time of this contact, OBRADOVICH had not been considered friendly toward Yugoslavia, mainly because he was dependent for his position upon the local Serbian colony, the leaders of which were the "bitter enemies" of Yugoslavia. OBRADOVICH said that he desired to go to Yugoslavia not as a priest, but as an ordinary tourist. He explained this by saying that if he were to go in any other way, BISHOP DOMISLJ, the head of the Serbian Orthodox Church in America, would remove him from his position. He continued by stating that his main goal was to visit Yugoslavia and to learn the truth about conditions in the country and in the church there. He said that he would send articles from there to the press here so that local Serbians could learn about true conditions in the country. Although he did not say so in so many words, KOSUTIC came to the conclusion that this priest would be very happy to go to Yugoslavia and travel through the country as a guest of the Orthodox Church.

KOSUTIC said that they then discussed the Editor of the San Francisco "Yugoslav American Herald," CHARLES CVETKOVICH, with whom this priest was in good relationship, especially since they had had an argument with the members of the Serbian National Defense. KOSUTIC said that he tried to find out from OBRADOVICH why CVETKOVICH continued to write in an unfriendly manner against Yugoslavia when the United States State Department, by its attitude, indicated that the relationship between the U. S. and Yugoslavia was becoming better every day. OBRADOVICH stated that he thought it would be advisable for KOSUTIC to get together with CHARLES CVETKOVICH and to keep in contact with him because OBRADOVICH felt that CVETKOVICH would slowly change his position. KOSUTIC stated that, knowing that OBRADOVICH and CVETKOVICH were good friends, he had suggested that the newspaper of CVETKOVICH could enjoy greater publicity among the West Coast Serbians if he would change its policy and write editorially in line with the apparent policy of the State Department. OBRADOVICH promised to do what he could to influence CVETKOVICH along those lines.

He then also mentioned to KOSUTIC something that KOSUTIC said he already knew, that is, that CVETKOVICH visited the President of the Serbian National Defense, one RADONOVIC, a short time previously when on a trip East and, upon his return, CVETKOVICH began to attack various Serbian displaced persons in his newspaper. The informant did not give any reason for this policy on the part of CHARLES CVETKOVICH.

BEST AVAILABLE COPY

KOSUTIC then asked OBRADOVICH about his relationship with the members of the Serbian National Defense and OBRADOVICH advised that he was completely in opposition to them and there had been an argument between them because they were desirous of removing him from his position, but, because of the assistance of the "honest people", the move had been defeated and the position of the SNO had weakened considerably.

OBRADOVICH then told KOSUTIC of the great influence of the churches in the United States and, in this connection, suggested it would be advisable to contact the Episcopal Bishop of California, WILLIAM H. ELICK, who was said by OBRADOVICH to be very influential and who should be urged by KOSUTIC to invite one of the representatives of the Serbian Orthodox Church of Yugoslavia to come to the U. S. as a guest of his Church. OBRADOVICH was of the opinion that such a visit would be of great help to the Serbian colony in San Francisco and against such a move, THOMAS D. ISIJE could do nothing. (T-1, 4/23/52)

KOSUTIC did not know whether to accept the sentiments advanced by OBRADOVICH because he noted as follows. He was not sure that the films which he gave the Reverend would be used at the Festival. KOSUTIC felt that the request for the films had been an excuse on the part of the Reverend to contact the Consulate officials after a prolonged period of absence and it was not considered beyond possibility that this visit was planned by the Reverend together with CHARLES GUTKOVICH. (T-1, 4/23/52)

KOSUTIC made further efforts in this field as noted in his observations concerning an un-named individual believed to be Dr. NICK ARJELICH, a dentist who formerly practiced in San Francisco. KOSUTIC said that this individual was born in the U. S. with his parents coming from Topuskog. Upon the opening of the Consulate in San Francisco, KOSUTIC said that they made every effort to contact this individual immediately so that they could develop him and use him for their purposes in connection with work with the Serbian colony. In the beginning, he came to see KOSUTIC, but after, even though every effort was made to keep the contact active, this person attempted to avoid meeting KOSUTIC. Later on, it was found that the enemies of the Consulate in San Francisco threatened this man for maintaining relationship with the officials. (T-1, 4/23/52)

Still another observation by KOSUTIC concerned an un-named contact of his in the Serbian field and, from the facts in the observation, it would appear that the individual being discussed was the Reverend DOSITEI OBRADOVICH. KOSUTIC said that he informed this person that he was very happy

BEST AVAILABLE COPY

SN 105-751

to see him make a decision in this matter and the officials would be coming into closer contact with him and, at the same time, with the more influential Serbians in this area. This individual told KOSUTIC that he was prepared to give all the information the Consulate might need at any time, but he did not want to engage himself politically in any way because he was not a politician. KOSUTIC said that he had asked him for an explanation of his relationship with the displaced persons and the Chetniks as well as with the Serbian National Defense. The stand concerning these items of this un-named individual was not set forth by this informant. (T-1, 4/23/52)

KOSUTIC stated that he had been receiving information from a man named STENIC to the effect that the First Serbian Benevolent Society had passed a resolution authorizing the expenditure of \$20.00 for the Serbian Radio Hour. This informant had no further information as to the identity of STENIC, but previously had advised that KOSUTIC had been contacting JOHN, also known as STANISLAV of San Francisco. (T-1, 7/1/52)

KOSUTIC, using the Russian language, thanked an unknown man for his dependability as to help and collaboration. KOSUTIC wondered if this man planned to go to Belgrade. The identity of this individual was unknown to the informant. (T-1 4/30/52)

As mentioned above, KOSUTIC attended the picnic of the First Serbian Benevolent Society. It was noted that he tendered a receipt as an expense item in the amount of \$5.00 for his expenditure in going to the picnic. (T-1, 6/27/52)

KOSUTIC contacted TRUDY DEND, the caretaker of the Serbian Hall, San Francisco, on June 25, 1952 saying that he had missed DEND at the picnic and wondered if DEND was not seeing anyone any more. KOSUTIC wanted DEND to get him some .22 caliber shells at a discount. KOSUTIC indicated that he would attempt to see DEND on June 26, 1952. (T-2, 6/25/52)

It was observed that KOSUTIC had attended a picnic sponsored by an un-named organization on June 22, 1952 and afterward had stopped at the home of IRVING SPEND in Sunnyvale, California. Also present at this residence was TAM SPEND. (T-2, 6/21, 23/52)

KOSUTIC advised that he went to a Serbian picnic sometime prior to July 15, 1952, being driven there by JOHN KARAC. When they arrived they found a group of Chetniks who would not talk to KOSUTIC. (T-3, 7/16/52)

③

BEST AVAILABLE COPY

SP 105-751

KOSUTIC continued to cultivate San Francisco area Serbs in the social field as seen in the following events. He invited LJUBICA KUKOVICH and JETKO VUKOVICH to dinner at his home on June 16, 1952. TANE SPREND was also invited. LJUBICA VUKOVICH agreed to come bringing her children. (T-2, 6/13/52)

It was noted that KOSUTIC submitted an expense item listing a dinner for JETKO VUKOVICH and TANE SPREND which totaled \$27.92. This expense item noted that IVO GACRO was also present at the dinner. (T-1, 6/27/52)

III. INTEREST IN GENERAL EMIGRANT AFFAIRS

KOSUTIC displayed interest in the success of the alleged Ustashi picnic held on June 1, 1952. In this connection, the following was observed. KOSUTIC asked FRANK KUCAN if he had any news concerning the picnic of June 1. KOSUTIC said that he had heard that very few attended, which was not surprising according to KOSUTIC, because the "priests from the other side; that is, the Ustashi, had organized it. KUCAN indicated that he would try to find out something about it. (T-2, 6/4/52)

KOSUTIC continued his contacts with Yugoslavians outside of the San Francisco area as seen below.

He had in his possession the names of five individuals living in the State of Washington, some of whom were described in his words as "good" or "very good." These persons were as follows.

ANTON VUKICH (Croatian), 117 North Bernard, Spokane.
Desires "well man."
NIKOLA MANDIC (Serb), 305 Main Street, Spokane. Subscriber to "Novi List."
GEORGE RADOVNOVICH (Montenegrin), Box 901, Roslyn, Wash.
"Good" Subscriber to "Novi List."
NIKOLA RADOVNOVICH (Croatian), Box 991, Roslyn, Washington.
"Very good." Subscriber to "Novi List."
NIKOLA MANDICH, Box 993, Roslyn, Wash. "Very good."

KOSUTIC had also the names of two individuals in the Wyoming area, namely: GEORGE JURGENITZ, Sheridan, and M'RI BUTKOVICH of Rock Springs. (T-1, 5/19/52)

BEST AVAILABLE COPY

SF 105-751

KOSUTIC also used the services of PETER JOVANOVIC of Denver, Colorado in April of 1952 to secure information from him concerning STEVE RADULOVIC. At some future time, KOSUTIC expressed the hope of being able to get to Denver and have a gathering with JOVANOVIC (T-1, 6/12/52)

Sometime in the early part of 1952, KOSUTIC visited TOM RATKOVICH in the Los Angeles area and expressed himself as being very satisfied at having visited in the home of RATKOVICH who, during the conversation with KOSUTIC, had indicated that he held a warm spot in his heart for the old Country. KOSUTIC indicated that, in the future, he hoped to strengthen his relationship with RATKOVICH and he expressed the hope that RATKOVICH would co-operate with him in meeting others in the area because such a contact was necessary for the Consulate. (T-1, 6/12/52)

KOSUTIC told an un-known man that TOM RATKOVICH, who resides at 11906 East Los Robles, Whittier Heights, Puente, California, was an excellent example of those emigrants who, for unknown reasons, had been sitting on the sidelines but were the type whom KOSUTIC wished to meet. (T-1, 6/4/52)

It was observed that a man named GEORGE _____, possibly GEORGE KOVACEVIC, had brought RUFU IVANCEVIC out to see TOM RATKOVICH for the first time. (T-1, 6/12/52)

KOSUTIC also told an unidentified man from Los Angeles that he appreciated his aid while he was visiting there. KOSUTIC said that it was necessary for him to continue to meet more emigrants who had been hitherto staying on the sidelines. (T-1, 6/4/52)

KOSUTIC's interests in other emigrant affairs are seen in the following item. KOSUTIC had notes on meeting at a place not stated, but which occurred on December 5 and 6, 1951, concerning topics headed:
1. Preparation for Showing of Medieval Painting, 2. Folk Lore Group,
3. Folk Lore Exposition, 4. Possibilities of Placing Our Programs on the Radio and Television, 5. Combined Emigrant Outing Next Summer. (T-1, 7/1/52)

It has not been noted that any of the above projects subsequently have come into existence.

BEST AVAILABLE COPY

IV. CONTACT WITH AMERICANS

FRANCES MORRISON, University of California student previously reported as a contact of KOSUTIC, continued to receive attention from him as follows.

On June 3, 1952, KOSUTIC tried to contact her at her residence at the University of California. On June 4, 1952, he succeeded in reaching her and said he wanted to arrange to have her over to San Francisco as soon as her examinations were finished. KOSUTIC explained to FRANCES MORRISON that he had had dinner at her parents' home in Los Angeles and had discussed the possibility of her father aiding in the government of Yugoslavia's extradition case against ANDREW ARTURKOVICH, but without success. (T-2, 6/4/52)

KOSUTIC attempted to secure information from CHRIS RADOVAN concerning PETER MATULOVIC, both of whom are from Oakland, California. (T-2, 6/20/52)

KOSUTIC was previously reported as having had lunch on August 17, 1951 with JOHN MURRY FOX, an employee of the Pacific Transport Service, 244 California Street, who resides at 3541 Washington Street, both in San Francisco. On July 1, 1952, it was learned that KOSUTIC had dinner with FOX and his wife on May 17, 1952 and he had learned the following which he reported.

KOSUTIC stated that FOX was Head of the Import Department of the Pacific Import Company, a shipping line organized in 1946 which handles freight from San Francisco to the Far East. FOX claimed that their principal cargo was strategic material being sent to Japan and the Philippine Islands for manufacture into war weapons. KOSUTIC said that FOX told him that the guerrilla warfare in the past year in the Philippine Islands had cut commerce about 35% below the 1949 level and that the Island of Luzon had become unapproachable. FOX stated that the "Huk" Movement now comprised 100,000 men and constituted a real army which he considered the strongest and best organized fighting unit in that part of the world. FOX said that this army contained Chinese and Russian elements.

FOX further told KOSUTIC that the present government of the Philippine Islands was corrupt and the U. S. Department of State did not know what to do about it. FOX could not say how many American troops were in the Philippines, but he believed the only Americans were Air Force personnel.

(3)

BEST AVAILABLE COPY

SF 105-751

KOSUTIC stated that he asked FOX if the United States troops often deserted their ranks and FOX claimed that the soldiers were strongly controlled, but occasionally some members of the American Communist Party deserted to join the guerrillas. He also had the opinion that there were members of the American Communist Party in the Headquarters of the U.S. troops in the Philippines, but, aside from stating his belief that the U. S. press was not publicizing all the facts, FOX did not give KOSUTIC his reason for the above opinion.

Concerning Japan, FOX told KOSUTIC he did not trust the friendly intentions of the present Japanese Government and he did not agree with the politics of the U. S. State Department. Concerning the May Day demonstration, he said he had received no information, but he did not believe the official reports as to the number of demonstrators.

FOX also told KOSUTIC that Okinawa had the largest U. S. fortifications in the Pacific and it was only because he entered the island on one of the Company ships that he had been able to visit it. He reported that about two months earlier a group of Soviet spies was uncovered on the island (KOSUTIC understood FOX to mean among American officers) and, as a result of this, security measures were considerably tightened. FOX further told KOSUTIC that local Army circles (place not specified) had told him that fifty million dollars had been spent last year alone on the air base at Okinawa and other installations were to be completed in 1953 and 1954.
T-1, 7/1/52)

V. TRIP BY KOSUTIC

KOSUTIC traveled during this period as follows. He was scheduled to go to Butte, Montana on June 28, 1952, arriving by Western Air lines at 4:30 p.m. (T-2, 6/26/52)

On July 2, he was still in Butte and planned to return to San Francisco on July 4. He advised Consul General IVANCEVIC that his mission had been accomplished and both sides were in agreement. This informant could not explain the mission which took KOSUTIC to Butte.
(T-2, 7/2/52)

KOSUTIC planned to go to Los Angeles on July 10, 1952 in connection with the case of ALEXI PETUKOVICH. (T-2, 7/2/52)

Sometime early in August, KOSUTIC contemplated a trip to Wyoming for an undisclosed purpose. (T-2, 7/30/52)

BEST AVAILABLE COPY

11 12 13 14 15 16 17 18 19 20

VI. PERSONAL ITEMS

The following personal items in the activities of KOSUTIC are noted. In June, KOSUTIC was involved in an automobile accident and ended up the Consulate car while his wife and son suffered injuries. Enographer LUDMILLA BETTER told Mrs. KOSUTIC to pretend to be hurt worse than she was and sue for \$30,000. (T-2, 6/18/52)

No further information has been received that any such suits are contemplated.

KOSUTIC took a vacation beginning officially on July 1 Ben Lomond, California. (T-2, 6/19/52)

VII. MISCELLANEOUS ITEMS

KOSUTIC stated during this period that he believed that enographer LUDMILLA BETTER should be released at the Consulate because of her unfriendly (to whom not stated) attitude. (T-1, 7/1/52)

BETTER told a friend of hers that she was treated as an outsider at the Consulate and therefore she was not working so hard anymore. She said none of the other employees "killed themselves" working. (T-2, 6/30/52)

California State Assemblyman from San Pedro, VINCENT THOMAS, came to the Consulate and talked with KOSUTIC on May 9, 1952. KOSUTIC thanked THOMAS for the visit, saying he would like to strengthen their relationship by seeing him more often in the future. (T-1, 5/27/52)

VIII. TRIESTE MATTERS

The following additional activities by KOSUTIC concerning securing of protests against the recent London Conference on Trieste are noted as follows. KOSUTIC asked an unknown person in Butte to get something into the local papers about protesting the Trieste Conference in London. KOSUTIC asked "the most influential and well-known son of Slovene ancestry in the United States" to get together with the Denver Slovenes to bring about resolution to influence Washington in bringing a favorable decision in the case of world peace and in the interests of the present international situation. (T-1, 4/23/52)

KOSUTIC wrote up a protest for some un-named group in which he said, "The Americans of Yugoslav descent can not stand for our present day lies to be bypassed to reach such a decision as this on Trieste, which decision was reached without Yugoslav participation." (T-1, 5/27/52)

-P-
-M-

BEST AVAILABLE COPY

